



General Assembly

February Session, 2014

Raised Bill No. 467

LCO No. 2601



Referred to Committee on FINANCE, REVENUE AND BONDING

Introduced by:
(FIN)

AN ACT CONCERNING STATE GRANTS IN LIEU OF PROPERTY TAXES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2014*) (a) For purposes of this
2 section, "state-owned property" means all real property described in
3 subsection (a) of section 12-19a of the general statutes, and "college and
4 hospital property" means all real property described in subsection (a)
5 of section 12-20a of the general statutes.

6 (b) Notwithstanding the provisions of sections 12-19a and 12-20a of
7 the general statutes, for fiscal years commencing July 1, 2015, to July 1,
8 2019, inclusive, all state grants in lieu of property taxes shall be paid to
9 each municipality of the state in accordance with this section.

10 (c) The Office of Policy and Management shall rank municipalities
11 based on the amount of state-owned property and college and hospital
12 property located in each municipality. (1) The twenty municipalities
13 with the greatest amount of such property shall receive a grant in lieu

14 of taxes equal to fifty per cent of the property taxes that would have
15 been paid to each municipality on state-owned real property under
16 section 12-19a of the general statutes or on private nonprofit colleges
17 or hospitals under section 12-20a of the general statutes. (2) The twenty
18 municipalities that follow the first twenty municipalities for the
19 amount of state-owned property and college and hospital property in
20 such municipalities shall receive a grant in lieu of taxes equal to forty-
21 five per cent of the property taxes that would have been paid to each
22 municipality on state-owned real property under section 12-19a of the
23 general statutes or on private nonprofit colleges or hospitals under
24 section 12-20a of the general statutes. (3) All municipalities that are not
25 included in the grants described in subdivisions (1) and (2) of this
26 subsection shall receive a grant in lieu of taxes equal to forty per cent
27 of the property taxes that would have been paid to each municipality
28 on state-owned real property under section 12-19a of the general
29 statutes or on private nonprofit colleges or hospitals under section 12-
30 20a of the general statutes.

31 (d) Notwithstanding the provisions of subsection (c) of this section,
32 the grant payable to any town under the provisions of this section in
33 the state fiscal years commencing July 1, 2015, to July 1, 2019, inclusive,
34 shall be as follows:

35 (1) (A) Seventy-five per cent of the property taxes which would
36 have been paid with respect to any facility designated by the
37 Commissioner of Correction, on or before August first of each year, to
38 be a correctional facility administered under the auspices of the
39 Department of Correction or a juvenile detention center under
40 direction of the Department of Children and Families that was used for
41 incarcerative purposes during the preceding fiscal year. If a list
42 containing the name and location of such designated facilities and
43 information concerning their use for purposes of incarceration during
44 the preceding fiscal year is not available from the Secretary of the State
45 on the first day of August of any year, said commissioner shall, on said
46 first day of August, certify to the Secretary of the Office of Policy and

47 Management a list containing such information, (B) seventy-five per
48 cent of the property taxes which would have been paid with respect to
49 that portion of the John Dempsey Hospital located at The University of
50 Connecticut Health Center in Farmington that is used as a permanent
51 medical ward for prisoners under the custody of the Department of
52 Correction. Nothing in this section shall be construed as designating
53 any portion of The University of Connecticut Health Center John
54 Dempsey Hospital as a correctional facility, and (C) in the state fiscal
55 years commencing July 1, 2015, to July 1, 2019, inclusive, seventy-five
56 per cent of the property taxes which would have been paid on any
57 land designated within the 1983 Settlement boundary and taken into
58 trust by the federal government for the Mashantucket Pequot Tribal
59 Nation on or after June 8, 1999; (2) subject to the provisions of
60 subsection (c) of section 12-19a of the general statutes, fifty-five per
61 cent of the property taxes which would have been paid with respect to
62 the buildings and grounds comprising Connecticut Valley Hospital in
63 Middletown; (3) notwithstanding the provisions of subsections (b) and
64 (c) of section 12-19a of the general statutes, with respect to any town in
65 which more than fifty per cent of the property is state-owned real
66 property, seventy-five per cent of the property taxes which would
67 have been paid with respect to such state-owned property; (4) forty per
68 cent of the property taxes which would have been paid with respect to
69 all municipally owned airports; except for the exemption applicable to
70 such property, on the assessment list in such town for the assessment
71 date two years prior to the commencement of the state fiscal year in
72 which such grant is payable. The grant provided pursuant to this
73 section for any municipally owned airport shall be paid to any
74 municipality in which the airport is located, except that the grant
75 applicable to Sikorsky Airport shall be paid half to the town of
76 Stratford and half to the city of Bridgeport; and (5) forty per cent of the
77 property taxes which would have been paid with respect to any land
78 designated within the 1983 Settlement boundary and taken into trust
79 by the federal government for the Mashantucket Pequot Tribal Nation
80 prior to June 8, 1999, or taken into trust by the federal government for

81 the Mohegan Tribe of Indians of Connecticut, provided the real
82 property subject to this subdivision shall be the land only, and shall
83 not include the assessed value of any structures, buildings or other
84 improvements on such land.

85 (e) The grants in lieu of taxes payable to municipalities for the fiscal
86 years commencing July 1, 2015, to July 1, 2020, inclusive, shall be paid
87 as follows: (1) For the fiscal year commencing July 1, 2015, the grant
88 payable shall be equal to eighty per cent of the amounts calculated
89 pursuant to sections 12-19a and 12-20a of the general statutes, and
90 twenty per cent of the amounts calculated pursuant to this section; (2)
91 for the fiscal year commencing July 1, 2016, the grant payable shall be
92 equal to sixty per cent of the amounts calculated pursuant to sections
93 12-19a and 12-20a of the general statutes, and forty per cent of the
94 amounts calculated pursuant to this section; (3) for the fiscal year
95 commencing July 1, 2017, the grant payable shall be equal to forty per
96 cent of the amounts calculated pursuant to sections 12-19a and 12-20a
97 of the general statutes, and sixty per cent of the amounts calculated
98 pursuant to this section; (4) for the fiscal year commencing July 1, 2018,
99 the grant payable shall be equal to twenty per cent of the amounts
100 calculated pursuant to sections 12-19a and 12-20a of the general
101 statutes, and eighty per cent of the amounts calculated pursuant to this
102 section; and (5) for the fiscal year commencing July 1, 2019, the grant
103 payable shall be equal to one hundred per cent of the amounts
104 calculated pursuant to this section.

105 (f) No municipality shall receive a grant in lieu of taxes pursuant to
106 this section that is less than that received, after proration is applied as
107 provided in subsection (b) of section 12-19a of the general statutes and
108 subsection (b) of section 12-20a of the general statutes in the fiscal year
109 commencing July 1, 2014.

110 (g) The Office of Policy and Management shall report, in accordance
111 with the provisions of section 11-4a of the general statutes, to the joint
112 standing committee of the General Assembly having cognizance of

113 matters relating to finance, revenue and bonding, on or before July 1,
114 2016, and on or before July first annually thereafter until July 1, 2019,
115 with regard to the grants distributed in accordance with this section,
116 and shall include in such reports any recommendations for changes in
117 the grants.

118 (h) For assessment years commencing on and after October 1, 2019,
119 grants in lieu of taxes shall be determined in accordance with sections
120 12-19a and 12-20a of the general statutes.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2014</i>	New section

Statement of Purpose:

To adjust the state grants in lieu of taxes for state-owned real property and property owned by private nonprofit colleges and hospitals.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]